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No. 99/54

October 8, 1999

TO COUNTY ASSESSORS:

**INTERIM GUIDELINES FOR THE VALUATION OF BIOPHARMACEUTICAL
INDUSTRY EQUIPMENT AND FIXTURES**

On October 7, 1999, the Board adopted the following guidelines pertaining to the assessment of specific property owned and/or used by the biopharmaceutical industry. These guidelines, which supersede LTA 98/45, are effective as of the January 1, 1999 lien date.

The biopharmaceutical industry is defined as follows:

“Firms engaged in research and/or manufacturing activities that use organisms, or materials derived from organisms, and their cellular subcellular and molecular components to discover and/or provide products for human or animal therapeutics and diagnostics. Biopharmaceutical activities make use of living organisms to develop and/or produce commercial products, as opposed to conventional pharmaceutical activities, that make use of chemical compounds to develop and/or produce commercial products. Firms engaging in agriculture, animal husbandry, and pharmaceutical delivery in the area of research and/or manufacturing are specifically excluded.”

The following reporting categories shall be used by firms meeting the above definition when completing Form 571-L for the specific types of equipment and fixtures described:

<u>Form 571-L Category</u>	<u>Description</u>
<u>SCHEDULE A</u>	
Machinery and Equipment	General Laboratory Equipment and High Technology Analytical Instruments
Other Equipment	Commercial Manufacturing Equipment
Tools, Molds, Dies, Jigs	Pilot Scale Manufacturing Equipment
<u>SCHEDULE B</u>	
Fixtures	Fixtures and Process Piping

A sample listing of the equipment and fixtures covered by this letter is attached. Other equipment (office equipment, computers, etc.) should be valued as described in Assessors' Handbook Section 581, *Equipment Index and Percent Good Factors*.

The valuation factor table that follows is to be applied directly to the historical cost of the property for each category (by year of acquisition) to arrive at the assessable value, without applying an index or percent good factor. A minimum percent good factor of ten percent is to be applied as illustrated in the following valuation factor table.

Age of Property	Schedule A			Schedule B
	Machinery & Equipment	Other Equip.	Tools, Molds, Dies, Jigs	Fixtures
1 Year	85%	92%	89%	92%
2 Years	69%	83%	78%	83%
3 Years	54%	75%	67%	75%
4 Years	40%	66%	56%	66%
5 Years	28%	57%	45%	57%
6 Years	18%	49%	35%	49%
7 Years	11%	40%	26%	40%
8 Years	10%	33%	19%	33%
9 Years	10%	26%	13%	26%
10 Years	10%	20%	10%	20%
11 Years	10%	15%	10%	15%
12 Years	10%	11%	10%	11%
Prior Years	10%	10%	10%	10%

We hope this information proves useful to all concerned and that it promotes uniformity of assessment for property in this industry. It should be mentioned that the tables presented herein, which will aid in the mass appraisal of biopharmaceutical equipment, should be used with caution since other evidence may be available that results in a more accurate determination of assessed value. If you have any questions, please contact Mr. David Gau, Chief of the Policy, Planning, and Standards Division, at (916) 445-4982.

Sincerely,

/s/ Richard C. Johnson

Richard C. Johnson
Deputy Director
Property Taxes Department

RCJ:gp
Enclosures

SCHEDULE A
Machinery and Equipment

<u>General Laboratory Equipment</u>	<u>Hi-tech Analytical Instruments</u>
Analytical Balances Anesthetic Machines Animal Cages Autoclaves Autosamplers Bacteria Identification Systems Cameras used in research Centrifuges (and rotors) Chart Recorders Conductivity Monitors Control Valves (laboratory scale) Densitometers Digital Counters Evaporator Fermentors (< 100 liters) Fume Hoods (portable) Glass Handling Equipment Glassware Washers Glucose Analyzers Ice Machines Imaging Equipment Incubators Liquid Samplers Micromanipulators Microscopes Microtomes Optical Scanning Detectors Organic Synthesizers Osmometers Ovens pH Analyzers Pipettes Pumps (laboratory scale) Radiation Monitors Reactor Vessels (<100 liters) Refrigerators and Freezers Sample Handling Equipment Samplers Shakers Sterilizers Stirrers Ultrasonic Cleaning Systems Waterbaths	Cell Fusion Devices Cell Sorting Instruments – FACS Chemstations – computer controlled Cryostats Chromatography – Desktop Cytometry Instruments DNA Sequencers and Analyzers DNA Synthesizers and Purifiers Electrolyte Analyzers Electron Scanning Microscopes Electrophoresis – Gas or Liquid Mass Spectrometers – NMR, FTIR, AA, MALDI Molecular Imaging Equipment Particle Counters and Analyzers Peptide Synthesizers and Sequencers Protein Synthesizers Scintillation Counters Spectrometers Spectrophotometers Thermal Analysis Instruments Viscometers X-Ray Diffratometers Other unspecified equipment that is similar in character, scale and technology

Other Equipment

Air Sampler Clean Room Monitor Commercial Scale Agitator Commercial Scale Control Devices Commercial Scale Fermentation Tanks and Controls Commercial Scale Glycol System Commercial Scale Mix Tanks, Stainless Steel Commercial Scale Mixers Commercial Scale Pumps Commercial Scale Purification Vessels and Devices Commercial Scale RO Water Unit and System	Commercial Scale Stainless Steel Tanks and Vessels Custom Roller Bottle Apparatus Equipment Skids Filter Housings, Stainless Steel Floor Scale Flow Meter Piping and tubing between Production Vessels Roller Bottle Machine Capper Roller Bottle Machine Unit Roller Racks Sanitary Valves (personal property) WFI Water Still Other Commercial Scale Control Devices Other Commercial Scale Tanks, Vessels and Devices
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Tools, Molds, Dies, Jigs

Mobile Pilot Plants Pilot Scale Fermentation Control Pilot Scale Mixers Pilot Scale Pumps and Hose Apparatus Pilot Scale Purification Vessels and Devices	Skids Small Fermentors (< 500 liters) Small Scale Process Control Devices Individual components aggregated into pilot scale manufacturing equipment systems
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SCHEDULE B

Fixtures

Benches and Counters, Built-in Cabinets, Built-in Casework, Metal Casework, Wood Clean In Place Equipment Clean Room Air Ducts/Handlers Clean Room Filter Units Clean Room Fixtures, not specified Clean Room Special Floor Surfaces Cleanrooms Electric supply systems unique to process Emergency Generators (for process) Feedwater System Fiber optic communication systems for process Fume Hoods (built-in)	HVAC systems and ductwork unique to process Individual components aggregated into fixtures Piping and plumbing related to process RO, DI, WFI Water Piping Safety Stations and First Aid Cabinets Clean Room Special Wall Surfaces Steam supply unique to process Walk-in freezers and refrigerator units Wall Cases, Built-in Waste disposal equipment unique to process Water supply systems unique to process (WFI) Water, electric, and gas hook-ups to lab stations Other items meeting the definition of a fixture as specified in Property Tax Rule 122.5
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